GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2295
ANSWERED ON:12.08.2011
VAIDYANATHAN COMMITTEE REPORT
Biju Shri P. K.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government had approved the recommendations of the Vaidyanathan Committee Report;

(b) if so, the details thereof;

(c) whether there is any proposal to amend the Banking Regulation Act, 1949 based on the recommendation of above report;

(d) if so, whether steps will be taken to consult the competent authority of various States including Kerala before implementing the recommendations of the report;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (f): The Government of India (GoI) constituted a Task Force in 2004 under the Chairmanship of Prof. A. Vaidyanathan for suggesting an implementable plan for the revival of the cooperative credit institutions. Based on the recommendations of the Vaidyanathan Task Force-1 Report, the Government in January, 2006 formulated a revival package for the Short Term Co-operative Credit Structure (STCCS). The package envisaged financial assistance for wiping out the accumulated losses as on 31 March, 2004, subject to legal and institutional reforms. The total size of the Package is Rs. 13,597 crores to be shared by the GoI, State Governments and the Cooperative Credit Structure (CCS). The package envisaged amendment to Banking Regulation Act, 1949. The package also envisaged training and capacity building, introduction of Common and Standard accounting and monitoring systems and computerization.